

## OFFICIAL COPY

Fresno, California

May 31, 2006

The City Council met in special session at the hour of 6:00 p.m. at the Woodward Park Library, 944 E. Perrin, on the day above written, to consider the FY 2007 City of Fresno Budget.

Present were Councilmembers Boyajian, Dages, Perea, Sterling, Westerlund and President Duncan, City Manager Souza, Assistant City Manager Rudd, Interim City Attorney Sanchez, City Clerk Klisch, Assistant City Clerk Salazar, Budget Manager Smith, and necessary staff. Councilmember Calhoun was absent.

Councilmember Sterling led the Pledge of Allegiance.

**(6:00 P.M.) HEARING ON THE FY 2007 CITY OF FRESNO BUDGET**

CITY CLERK DEPARTMENT  
CITY ATTORNEY DEPARTMENT  
ECONOMIC DEVELOPMENT DEPARTMENT

President Duncan noted a different budget hearing process was being tried this year in that hearings are being held in each Council district, thanked staff for organizing and setting up the facility for this hearing and advised the next hearing would be held at Fresno High School, and clarified issues relative to the budget hearing process and motions. President Duncan stated the budget process was supposed to be a collaborative process to establish priorities for the next fiscal year but he felt this year's process had not gone as well as the last five, clarified his concern was not with the content of the budget but with a policy in place that restricted Council's ability to get information about the budget directly from sources without having an overseer present, and stated he was very disappointed with that and added artificial barriers and the inability to communicate were not in the best interest of the public. City Manager Souza stated this was not a restriction of information but was a process to assure that full and complete information is given to Council, clarified staff has seen too many times in the past that well intentioned information given in isolation has led to issues and debates that are inappropriate, reiterated this was not a restriction of information and added staff was available and would continue to be available, and stated the characterization was incorrect and inappropriate.

**CITY CLERK DEPARTMENT**

City Clerk Klisch gave an overview of her department's mission and proposed budget, elaborating on the request for a new staff assistant position and agenda software, and along with Budget Manager Smith, Interim City Attorney Sanchez and Assistant City Manager Rudd responded to questions and/or comments of Councilmembers Dages, Boyajian, Sterling and Westerlund at length relative to how the funds being requested for the new position will be able to cover the position and related equipment, reason for decrease in space rental charges, reason for decrease in facilities management charges, Councilmember Boyajian thanking the City Clerk for all her hard work and help given to him during his term as Council member and Council President, the new agenda information software/system and how it will facilitate the agenda process, the Freedom of Information Act award for public records accessibility given to the department being a worthy accomplishment, the City's off-site records center and concern with departments now handling their own records, if there will be a checks and balance on what departments store/retain/destroy, if there was any on-going training for employees on the records process and requirements, why some departments' documents/contracts are not retained by the city clerk's office, need for standardization for all city departments, request to staff to conduct a general review of state records policy/requirements, types of records/documents the department does not receive, request the City Clerk, City Attorney and City Manager work together to determine if there is a standard procedure for employees who are in charge of their department's records, concern that the city clerk department does not have complete control over all records, and request for an update from the City Clerk on her current work with other department's records staff.

**MOTION** - Perea/Dages - Approve the City Clerk Department budget as submitted.

**CITY ATTORNEY**

President Duncan advised the city attorney recruitment process was completed and he was pleased to announce a contract was reached with Interim City Attorney Sanchez, and congratulated Mr. Sanchez on being selected city attorney and added the contract would be scheduled on the June 6<sup>th</sup> agenda for approval.

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Interim City Attorney Sanchez gave a PowerPoint presentation on his department and proposed budget which included a mission statement, organizational chart (with introductions made of his management team in attendance), best practices to fulfill the department's mission, office staffing, revenue and expenditure status as of May 17, 2006, attorney vacancies, contract legal services, accomplishments of each unit, challenges (**2 - 0**), 2007 budget requests, and FY 2006 efficiencies.

Mr. Sanchez, Budget Manager Smith and City Manager Souza responded at length to questions/comments of President Duncan and Councilmembers Dages, Perea, Westerlund and Boyajian relative to a request for clarification on the importance of streamlining the Fresno Municipal Code which began in 2001, if vacancies and recruitment problems will be resolved with this budget, thank you extended to the department for providing updates, attorney retention problem and if there was any long-term plan for attorney retention, what the \$80,000 request would encompass, request that the City Attorney keep Council abreast of recruitment and retention efforts and of any challenges/issues so there are no surprises, the 1992 and 2006 attorney number comparison and the full breath of the picture being unknown (i.e., number of hours with outside counsel), need to address the 14% initiative, if city attorneys were unrepresented/exempt employees under local law, merit pay, if the department has considered a bonus program, a bonus program being worthy of consideration if not prohibited by law, contract legal services and city-wide savings, how legal services are budgeted, contract compliance and who monitors contracts, reason for increase in salaries if the current number of attorneys is the same as 1992, reason for workers compensation costs, reason for rent increase, Councilmember Boyajian taking exception to comments made relative to CEQA and explaining, and if the department will be participating in the class and compensation study.

**MOTION** - Perea/Sterling - Accept the City Attorney Department budget as submitted.

### **ECONOMIC DEVELOPMENT DEPARTMENT**

Interim ED Director Johnson gave a PowerPoint presentation on his department and proposed budget which included a mission statement, KRA and KRA goals, proposed new ED analyst, jobs in the pipeline, job growth and unemployment rate, major FY 2006 accomplishments, partnerships, major FY 2007 initiatives (**3 - 0**), and the Department's "Top-10".

Tony Valtierra, President of the Fresno Area Hispanic Chamber of Commerce, spoke to the Fresno Area Hispanic Business Incubator project and their partnership with the City.

Mr. Johnson, City Manager Souza, Management Analyst Smith and Budget Manager Smith responded to questions/comments of Councilmember Dages at length, and/or clarified issues relative to the number of new net jobs, if the department was taking credit for the 16,300 jobs, number of jobs the department was taking credit for, request for a list of the 12 new companies brought to Fresno that the department was part of, reason for increase in salaries if only one position is being requested, reason for \$135,000 and \$315,000 for the Enterprise Zone (EZ), why the EZ was being funded through 2007 when it will expire in October 2006, funding for the PGA Golf Tournament, the \$300,000 for economic development services, motion made and died to fund the Economic Development Corp. (EDC) at \$180,000 due to non-performance, concern with the EDC receiving city funds when they are not responsible to the City, lack of confidence in the EDC, reason for EZ funding when current legislation does not permit an extension, the \$1 million for Municipal Restoration Zone (MRZ) and where its funding was located, and concern with the MRZ as another downtown business incentive when downtown problems need to be defined first with explanation.

**MOTION** - Dages/Duncan - Place the \$1 million proposed for the MRZ in contingency.

Mr. Souza spoke to the motion and clarified issues relative to the two financial components, with Councilmember Dages requesting Mr. Souza provide that explanation to him in writing.

Councilmember Dages continued stating he hoped the Travel & Conference expenses were enough and elaborated on the need for the department to have enough resources to make a sale and added economic development can not be created for this community by sitting here in Fresno, stressed the perception of Fresno needed to be changed and stated the media needed to be a part of, and take a role in, the city's economic development efforts due to people watching the news adding the news was negative and needed to be positive, and spoke to the workers compensation problem and the need to get past it.

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Mr. Valtierra, Mr. Johnson and Mr. Souza responded at length to questions/comments of Acting President Perea relative to his support for balanced economic development and local entrepreneurship support, the Fresno Area Hispanic Business Incubator including project time line, what type of industry will be targeted, and request that Mr. Valtierra meet with the Redevelopment Agency as they can play a helpful role, #4 of the "Top-10" and his interest in the innovation energy and software development RJI clusters, which clusters will be targeted and desire to see the city's strategy on which clusters will be targeted, if staff has conducted a comprehensive study on which city buildings can go solar, who will be able to use the MRZ, if a specific industry will be targeted for the MRZ and if the city should target one, support/desire to see extensive recruitment of entrepreneurs who need start-up help and that being a wise investment for the city, providing venture capital money and if the City partnering with the State to leverage capital venture funds has been considered, it being a smart move to start looking into capital venture funds, the \$250,000 business plan in the Lyles Center/RJI brochure including what staff's position/thoughts were on the City participating in the plan as requested, why the proposal was not included in the budget, and if staff had any recommendation on it, the sports promenade concept including time line and if there have been any negotiations with land owners, agreement with Councilmember Dages on the perception of Fresno, and need for staff to not be afraid to ask for additional resources and need for a publicist to get the word out.

Councilmember Boyajian expressed concern with statements made relative to the 16,300 new jobs stating the same statements are made every year and they are not true, stressed the City needed to be present at more conferences, spoke to and advised of the amount of money other cities put into their economic development, stated the department's budget was pathetic and he could easily see a budget of \$4 to \$5 million, expressed concern with the sports town promenade being a priority and questioned why it was stating it would only bring more bartender and restaurant service jobs (**4 - 0**), expressed concern that the PGA golf tournament was not mentioned in the City's ICSC booth and spoke to the extraordinary booths the cities of Reno and Indio had, emphasized jobs that pay \$25 to \$30 an hour were needed in this community, stressed the department's budget should be tripled and added the funding source could be CDBG or the \$1.2 million proposed for the police department, stated he hoped priorities would be jobs that make a difference, and made a motion to triple the department's budget with brief discussion ensuing and the motion changing.

**MOTION - Boyajian/Perea** - Double the ED department's budget to \$3.6 million with the use of the additional funds to be determined by Council.

Councilmember Sterling stated the Las Vegas ICSC conference was eye-opening and a wake up call for the city, advised city officials were told Fresno's problem was it's marketing and agreed additional funds needed to be put into the department, stated she also supported Fresno being present at all other conferences, and presented questions/comments relative to the sports promenade concept including where the strategy was/if it had been presented to Council/if there was an expense outline, funding for the PGA tournament and how that amount was arrived at, if the PGA will be supplying the city with free materials/supplies/equipment for advertising and promotions, if staff realizes, or has considered, the impact the tournament will have on the city, the \$50,000 budgeted for the tournament being too low, and request to be a part of the aggressive PGA team and request for staff to bring a PGA representative to a Council meeting. Councilmember Sterling thanked the Fresno Area Hispanic Chamber of Commerce and stated she looked forward to working with them on the incubator project.

The hearing on the Economic Development Department's budget was continued to the City Council meeting of June 6, 2006, for continued discussion and conclusion.

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## ADJOURNMENT

There being no further business to bring before the City Council, the hour of 8:50 p.m. having arrived and hearing no objections, President Duncan declared the meeting adjourned.

**APPROVED** on the \_\_\_\_6th\_\_\_\_ day of \_\_\_\_\_ June \_\_\_\_\_, 2006.

\_\_\_\_\_/s/\_\_\_\_\_  
Jerry Duncan, Council President

ATTEST: \_\_\_\_\_/s/\_\_\_\_\_  
Yolanda Salazar, Assistant City Clerk

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